

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

MARSHALL COUNTY, KANSAS

December 31, 2010

Reese & Novelly, PA
Certified Public Accountants
Manhattan, Kansas

Audited Financial Statements and Other Financial Information

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

Independent Auditors' Report.....	1
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Financial Statements

Summary of Cash Receipts, Expenditures and Unencumbered Cash (Statement 1).....	3
--	---

Summary of Expenditures-Budget and Actual (Statement 2).....	7
--	---

Statements of Cash Receipts and Expenditures (Statement 3):

General Fund (Budget and Actual)	9
--	---

Debt Service Fund (Budget and Actual)

Bond and Interest	13
-------------------------	----

Special Revenue Funds (Budget and Actual):

Road and Bridge	14
-----------------------	----

Health Nurse	15
--------------------	----

Agency on Aging	16
-----------------------	----

Twin Valley Workshop.....	17
---------------------------	----

Pawnee Mental Health	18
----------------------------	----

Soil Conservation.....	19
------------------------	----

Ambulance	20
-----------------	----

Appraiser.....	21
----------------	----

Noxious Weed.....	22
-------------------	----

Election	23
----------------	----

Extension	24
-----------------	----

4-H Building	25
--------------------	----

Landfill (Solid Waste)	26
------------------------------	----

Employee Benefit Funds

Employee Benefits	27
-------------------------	----

Unemployment.....	28
-------------------	----

Kansas Public Employee's Retirement.....	29
--	----

Workmen's Compensation	30
------------------------------	----

Social Security	31
-----------------------	----

Fair Grounds & Building	32
-------------------------------	----

Tort Liability.....	33
---------------------	----

Historical.....	34
-----------------	----

Recycling/Household Hazardous Waste.....	35
--	----

Register of Deeds.....	36
------------------------	----

Special Parks & Recreation	37
----------------------------------	----

Special Alcohol.....	38
----------------------	----

Motor Vehicle Fund.....	39
-------------------------	----

Prosecuting Attorney Training Fund	40
--	----

Audited Financial Statements and Other Financial Information

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

911 Specials	41
911 Local	42
Special Revenue Funds (Non-budgeted).....	43
Special Revenue Funds – Capital & Equipment Reserves (Non-budgeted).....	44
Special Revenue Funds – Grants (Non-budgeted).....	46
Fiduciary Type Funds (Non-budgeted).....	48
Summary of Cash Receipts, Cash Disbursements, and Unencumbered Cash— Agency Funds (Statement 4).....	49
Notes to Financial Statements.....	51
<u>Other Financial Information</u>	
Schedule A	
District Court.....	62
Sheriff's VIN Account.....	64
Law Library.....	65



REESE & NOVELLY, P.A.

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INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Marshall County, Kansas

We have audited the accompanying statutory basis financial statements of Marshall County, Kansas (County), as of and for the year ended December 31, 2010 as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note A, the County prepares its financial statements using accounting practices prescribed or permitted by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Marshall County, Kansas, as of December 31, 2010, the changes in its financial position, or, where applicable, its cash flows for the year then ended. Further, the County has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of the County, as of December 31, 2010, and their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of accounting described in Note A.

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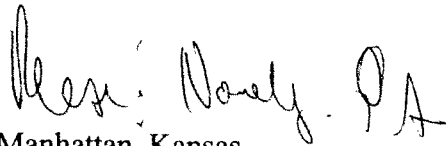
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Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The other financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the statutory basis financial statements taken as a whole.

A handwritten signature in cursive script, appearing to read "Alex Novak, PA".

Manhattan, Kansas

October 7, 2011

FINANCIAL STATEMENTS

**SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND
UNENCUMBERED CASH (STATEMENT 1)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

FUNDS

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Types:							
General Fund	\$ 1,262,626	\$	\$ 1,973,982	\$ 2,109,852	\$ 1,126,756	\$ 165,707	\$ 1,292,463
Debt Service:							
Bond and Interest Fund	32,993		54,254	67,569	19,678		19,678
Special Revenue:							
Road and Bridge	493,323	3,309	2,283,148	2,210,157	569,623	148,770	718,393
Health Nurse	83,504		487,137	454,948	115,693	6,477	122,170
Agency on Aging	69,811		192,943	150,906	111,848	3,770	115,618
Twin Valley Workshop	1,492		55,688	56,166	1,014		1,014
Pawnee Mental Health	863		80,509	81,138	234		234
Soil Conservation	1,011		20,274	21,074	211		211
Ambulance	3,463		291,546	293,471	1,538		1,538
Appraiser	35,667		163,267	161,110	37,824	15,041	52,865
Noxious Weed	50,600		76,339	74,606	52,333	2,615	54,948
Election	3,915		87,953	72,074	19,794	10,417	30,211
Extension	4,528		139,385	142,165	1,748		1,748
4-H Building	272		7,250	7,437	85		85
Landfill (Solid Waste)	236,442		411,219	280,895	366,766	22,253	389,019
Employee Benefits Funds							
Employee Benefits	308,363		730,595	852,241	186,717	73,083	259,800
Unemployment	10,370		936	5,383	5,923	199	6,122
Kansas Public Employee's Retirement	210,367		202,124	179,757	232,734	16,472	249,206
Workmen's Compensation	54,950		63,288	78,111	40,127		40,127
Social Security	63,786		201,657	200,615	64,828	16,196	81,024

See notes to financial statements

**SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND
UNENCUMBERED CASH (STATEMENT 1)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

FUNDS

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Fair Grounds & Building	861		26,952	27,704	109		109
Tort Liability	56,199		52,189	60,513	47,875		47,875
Historical	424		12,070	12,321	173		173
Recycling/Household Hazardous Waste	27,371		49,798	37,958	39,211	4,117	43,328
Register of Deeds	11,429		11,084	8,565	13,948		13,948
Special Parks & Recreation	26,974		2,945		29,919		29,919
Special Alcohol	47,823		5,635	2,601	50,857		50,857
Motor Vehicle Operating Fund	26,794		107,022	111,053	22,763	5,272	28,035
Prosecuting Attorney Training fund	4,169		1,144	3,124	2,189		2,189
911 Specials	45,998		49,204	50,688	44,514	686	45,200
911 Local Fund	46,690		43,541	29,154	61,077		61,077
Non-Budgeted Special Revenue Funds							
Special Road & Bridge	200,000		100,000		300,000		300,000
Road & Bridge Sales Tax			506	346	160		160
Tourism Promotion & Bed Tax	229		826		1,055		1,055
Special Law Enforcement Fund	527		560		1,087		1,087
Capital & Equipment Reserves							
Emergency Management Capital			10,000		10,000		10,000
Buildings	16				16		16
Health Department Building Fund	38,063		40,000	8,569	69,494	1,045	70,539
Health Capital Outlay	22,431		20,000	1,495	40,936		40,936
Aging Kitchen Equipment	888				888		888
Community College			10		10		10
Appraisers Capital Outlay	2,200		4,000		6,200		6,200
Election Equipment Reserve	197,967				197,967		197,967
Noxious Weed Outlay	94,244			24,359	69,885		69,885
Equipment Reserve	78,833		33,200	2,973	109,060	420	109,480

See notes to financial statements

**SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND
UNENCUMBERED CASH (STATEMENT 1)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

FUNDS

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Machinery Grants:	237,613		130,000	53,400	314,213		314,213
Emergency Management Grant Fund	53,423		45,837	56,387	42,873		42,873
Bridge Grant	1		44,641	44,642	-		-
Medical Reserve Corp Grant	8,374			2,357	6,017		6,017
Safe Kids Grant	2,657		128	574	2,211		2,211
Child Care Licensing	94		13,692	13,698	88	53	141
KALHD Grant	1,000		850	1,374	476		476
Maternal Child Health			12,809	12,131	678		678
Immunizations			2,431	1,522	909		909
Path Grant	1,204				1,204		1,204
KDOT (OAA) Grant	54,800		131,652	114,520	71,932	2,117	74,049
Title III C Nutrition	4,813		215,775	214,671	5,917	12,005	17,922
TOTAL SPECIAL REVENUE FUNDS	2,926,836	3,309	6,663,759	6,218,953	3,374,951	341,008	3,715,959
Fiduciary Type Funds:							
Expendable Trust Funds:							
Aging - Bertha Shum (KDOT)	87,163		1,649	1,956	86,856		86,856
Nonexpendable Trust Funds:							
Aging - Elsie Borek Fund (KDOT)	28,149		556		28,705		28,705
TOTAL FIDUCIARY TYPE FUNDS	115,312	-	2,205	1,956	115,561	-	115,561
TOTAL PRIMARY GOVERNMENT	4,337,767	3,309	8,694,200	8,398,330	4,636,946	506,715	5,143,661
TOTAL REPORTING ENTITY	\$ 4,337,767	\$ 3,309	\$ 8,694,200	\$ 8,398,330	\$ 4,636,946	\$ 506,715	\$ 5,143,661

See notes to financial statements

**SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND
UNENCUMBERED CASH (STATEMENT 1)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

Composition of Cash:

Checking accounts	9,995,993
Certificates of deposit	4,983,013
Savings	29,658
Clerk of the District Court	34,499
Law Library	18,901
Sheriff VIN	757
County Attorney	4,746
Less outstanding warrants	<u>(120,436)</u>

TOTAL CASH

14,947,131

Agency Funds per Statement 4

(9,803,470)

TOTAL REPORTING ENTITY (EXCLUDING AGENCY)

\$ 5,143,661

See notes to financial statements

**SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
BUDGETED FUNDS ONLY (STATEMENT 2)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

<u>FUNDS</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credit</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Favorable (Unfavorable) Variance</u>
Governmental Fund Types:					
General Fund	\$ 2,278,873	\$	\$ 2,278,873	\$ 2,109,852	\$ 169,021
Debt Service:					
Bond and Interest Fund	87,600		87,600	67,569	20,031
Special Revenue:					
Road and Bridge	2,266,261		2,266,261	2,210,157	56,104
Health Nurse	319,980	95,635	415,615	454,948	(39,333)
Agency on Aging	196,821		196,821	150,906	45,915
Twin Valley Workshop	56,176		56,176	56,166	10
Pawnee Mental Health	82,839		82,839	81,138	1,701
Soil Conservation	21,527		21,527	21,074	453
Ambulance	293,530		293,530	293,471	59
Appraiser	170,412		170,412	161,110	9,302
Noxious Weed	94,488		94,488	74,606	19,882
Election	84,860		84,860	72,074	12,786
Extension	142,194		142,194	142,165	29
4-H Building	7,587		7,587	7,437	150
Landfill (Solid Waste)	368,752		368,752	280,895	87,857
Employee Benefits Funds					
Employee Benefits	918,757		918,757	852,241	66,516
Unemployment	7,005		7,005	5,383	1,622
Kansas Public Employee's Retirement	279,892		279,892	179,757	100,135
Workmen's Compensation	81,626		81,626	78,111	3,515
Social Security	230,173		230,173	200,615	29,558
Fair Grounds & Building	28,209		28,209	27,704	505

See notes to financial statements

**SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
BUDGETED FUNDS ONLY (STATEMENT 2)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

<u>FUNDS</u>	Certified Budget	Adjustment for Qualifying Budget Credit	Total Budget for Comparison	Expenditures Chargeable to Current Year	Favorable (Unfavorable) Variance
Tort Liability	81,254		81,254	60,513	20,741
Historical	12,323		12,323	12,321	2
Recycling/Household Hazardous Waste	65,039		65,039	37,958	27,081
Register of Deeds	12,000		12,000	8,565	3,435
Special Parks & Recreation	3,000		3,000		3,000
Special Alcohol	7,500		7,500	2,601	4,899
Motor Vehicle Operating Fund	109,081		109,081	111,053	(1,972)
Prosecuting Attorney Training Fund	1,000		1,000	3,124	(2,124)
911 Specials	75,000		75,000	50,688	24,312
911 Local	95,000		95,000	29,154	65,846

See notes to financial statements

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 1,250,297	\$ 1,239,279	\$ (11,018)
Delinquent tax	5,000	22,620	17,620
Local alcohol liquor tax	3,000	2,945	(55)
Motor vehicle tax	128,132	126,881	(1,251)
Redemptions		6,988	6,988
16/20M vehicle tax	14,682	18,648	3,966
District Coroner fee	1,000	2,978	1,978
Recreation vehicle tax	2,262	2,286	24
Miscellaneous tax revenue	77,082	84,027	6,945
Licenses, permits, and fees	72,670	99,177	26,507
Charges for services	20,000		(20,000)
Use of money and property	50,000	138,865	88,865
Reimbursements and grants	15,000	213,808	198,808
Miscellaneous	3,100	15,480	12,380
TOTAL CASH RECEIPTS	1,642,225	1,973,982	331,757
Expenditures:			
Legislative:			
County Commission:			
Personnel services	62,250	59,754	2,496
Contractual services and other charges	31,500	51,614	(20,114)
Materials and supplies	2,000	2,588	(588)
Capital outlay	250		250
TOTAL LEGISLATIVE	96,000	113,956	(17,956)
Judicial:			
County Attorney:			
Personnel services	120,900	122,582	(1,682)
Contractual services and other charges	20,500	13,518	6,982
Materials and supplies	3,000	2,689	311
Capital outlay	1,500	920	580
TOTAL COUNTY ATTORNEY	145,900	139,709	6,191

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Clerk of the District Court:			
Contractual services and other charges	97,421	80,261	17,160
Materials and supplies	5,500	5,655	(155)
Capital outlay	6,550	19,940	(13,390)
TOTAL CLERK OF THE DISTRICT COURT	109,471	105,856	3,615
District Coroner:			
Personnel services	6,000	4,000	2,000
Contractual services and other charges	9,000	6,138	2,862
TOTAL DISTRICT CORONER	15,000	10,138	4,862
TOTAL JUDICIAL	270,371	255,703	14,668
Financial and Administrative:			
County Clerk:			
Personnel services	108,700	108,916	(216)
Contractual services and other charges	6,050	2,724	3,326
Materials and supplies	3,500	3,037	463
Capital outlay	2,500		2,500
TOTAL COUNTY CLERK	120,750	114,677	6,073
County Treasurer:			
Personnel services	80,420	105,141	(24,721)
Contractual services and other charges	11,150	7,215	3,935
Materials and supplies	4,000	2,212	1,788
Capital outlay	2,000	1,027	973
TOTAL COUNTY TREASURER	97,570	115,595	(18,025)
Building and Equipment:			
Contractual services and other charges	100,000	85,837	14,163

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Register of Deeds:			
Personnel services	78,508	73,340	5,168
Contractual services and other charges	4,600	3,499	1,101
Materials and supplies	1,500	1,055	445
Capital outlay	800	51	749
TOTAL REGISTER OF DEEDS	85,408	77,945	7,463
County General:			
Contractual services and other charges	125,000	71,097	53,903
Materials and supplies	13,000	6,133	6,867
Capital outlay	120,000	20,441	99,559
TOTAL COUNTY GENERAL	258,000	97,671	160,329
Custodial:			
Personnel services	29,020	28,003	1,017
Materials and supplies	8,450	7,054	1,396
TOTAL CUSTODIAL	37,470	35,057	2,413
Technology:			
Contractual services and other charges	50,000	31,377	18,623
TOTAL FINANCIAL AND ADMINISTRATIVE	749,198	558,159	191,039
Public Safety:			
Sheriff:			
Personnel services	632,108	628,890	3,218
Contractual services and other charges	147,882	183,415	(35,533)
Materials and supplies	141,000	107,581	33,419
Capital outlay	12,000	12,461	(461)
TOTAL SHERIFF	932,990	932,347	643

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Local Emergency Management:			
Personnel services	48,500	53,476	(4,976)
Contractual services and other charges	12,100	9,882	2,218
Materials and supplies	17,750	4,696	13,054
Capital outlay	2,000	1,825	175
TOTAL LOCAL EMERGENCY MANAGEMENT	80,350	69,879	10,471
Juvenile Detention:			
Contractual services and other charges	20,000	20,000	-
TOTAL PUBLIC SAFETY	1,033,340	1,022,226	11,114
Appropriations:			
Kansas National Guard	1,934	1,934	-
Economic Development	54,300	54,182	118
Soil Conservation	10,000	10,000	-
RSVP	15,000	15,000	-
Recycling/ Household Hazardous Waste	9,877		9,877
Big Lakes Regional Council	2,000	2,000	-
TOTAL APPROPRIATIONS	93,111	83,116	9,995
Neighborhood Revitalization Rebate	36,853	35,492	1,361
Transfers out		41,200	(41,200)
TOTAL EXPENDITURES	2,278,873	2,109,852	169,021
RECEIPTS OVER (UNDER) EXPENDITURES	(636,648)	(135,870)	500,778
Beginning Unencumbered Cash Balance	636,648	1,262,626	625,978
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 1,126,756	\$ 1,126,756

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - BOND AND INTEREST
DEBT SERVICE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 49,380	\$ 48,916	\$ (464)
Motor vehicle tax	4,588	3,993	(595)
Redemptions		204	204
16/20M vehicle tax	526	314	(212)
Recreation vehicle tax	81	74	(7)
Use of money and property		753	753
TOTAL CASH RECEIPTS	54,575	54,254	(321)
Expenditures:			
Contractual and other expenditures	25	6	19
Material and supplies	20,000		20,000
Principal	60,000	60,000	-
Interest	6,120	6,120	-
Neighborhood revitalization rebate	1,455	1,443	12
TOTAL EXPENDITURES	87,600	67,569	20,031
RECEIPTS OVER (UNDER) EXPENDITURES	(33,025)	(13,315)	19,710
Beginning Unencumbered Cash Balance	33,025	32,993	(32)
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 19,678	\$ 19,678

See notes to financial statements.

STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - ROAD AND BRIDGE
SPECIAL REVENUE FUND - (STATEMENT 3)

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 1,469,425	\$ 1,456,489	\$ (12,936)
Delinquent tax		8	8
Motor vehicle tax	154,582	149,247	(5,335)
Redemptions		8,088	8,088
City and county highway fund	462,000	494,811	32,811
16/20M vehicle tax	17,727	20,001	2,274
Recreation vehicle tax	2,733	2,704	(29)
Reimbursements and grants	50,000	151,800	101,800
TOTAL CASH RECEIPTS	2,156,467	2,283,148	126,681
Expenditures:			
Personnel expenditures	754,100	695,043	59,057
Contractual and other expenditures	179,750	124,573	55,177
Material and supplies	1,191,600	1,066,148	125,452
Capital Outlay	97,500	51,417	46,083
Neighborhood revitalization rebate	43,311	42,976	335
Transfers out		230,000	(230,000)
TOTAL EXPENDITURES	2,266,261	2,210,157	56,104
RECEIPTS OVER (UNDER) EXPENDITURES	(109,794)	72,991	182,785
Beginning Unencumbered Cash Balance	109,794	493,323	383,529
Adjustment to unencumbered cash for prior year cancelled encumbrances		3,309	3,309
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 569,623	\$ 569,623

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - HEALTH NURSE
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 111,452	\$ 110,505	\$ (947)
Delinquent tax		1	1
Motor vehicle tax	15,474	15,273	(201)
Redemptions		793	793
16/20M vehicle tax	1,775	2,214	439
Recreation vehicle tax	274	275	1
Reimbursements and grants	150,000	358,076	208,076
TOTAL CASH RECEIPTS	278,975	487,137	208,162
Expenditures:			
Personnel expenditures	165,780	181,019	(15,239)
Contractual and other expenditures	15,500	20,943	(5,443)
Material and supplies	124,415	189,726	(65,311)
Capital Outlay	11,000		11,000
Neighborhood revitalization rebate	3,285	3,260	25
Transfers out		60,000	(60,000)
Adjustment for qualifying budget credit	95,635		95,635
TOTAL EXPENDITURES	415,615	454,948	(39,333)
RECEIPTS OVER (UNDER) EXPENDITURES	(136,640)	32,189	168,829
Beginning Unencumbered Cash Balance	136,640	83,504	(53,136)
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 115,693	\$ 115,693

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - AGENCY ON AGING
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 161,280	\$ 159,826	\$ (1,454)
Delinquent tax		1	1
Motor vehicle tax	18,040	17,160	(880)
Redemptions		914	914
16/20M vehicle tax	2,069	2,166	97
Recreation vehicle tax	319	312	(7)
Reimbursements and grants		12,564	12,564
TOTAL CASH RECEIPTS	181,708	192,943	11,235
Expenditures:			
Personnel expenditures	122,500	46,948	75,552
Contractual and other expenditures	50,167	73,561	(23,394)
Material and supplies	14,900	25,152	(10,252)
Capital Outlay	4,500	529	3,971
Neighborhood revitalization rebate	4,754	4,716	38
TOTAL EXPENDITURES	196,821	150,906	45,915
RECEIPTS OVER (UNDER) EXPENDITURES	(15,113)	42,037	57,150
Beginning Unencumbered Cash Balance	15,113	69,811	54,698
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 111,848	\$ 111,848

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - TWIN VALLEY WORKSHOP
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 49,408	\$ 49,020	\$ (388)
Motor vehicle tax	5,692	5,515	(177)
Redemptions		302	302
16/20M vehicle tax	653	751	98
Recreation vehicle tax	101	100	(1)
TOTAL CASH RECEIPTS	55,854	55,688	(166)
Expenditures:			
Contractual and other expenditures	54,720	54,720	-
Neighborhood revitalization rebate	1,456	1,446	10
TOTAL EXPENDITURES	56,176	56,166	10
RECEIPTS OVER (UNDER) EXPENDITURES	(322)	(478)	(156)
Beginning Unencumbered Cash Balance	322	1,492	1,170
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 1,014	\$ 1,014

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - PAWNEE MENTAL HEALTH
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 71,287	\$ 70,671	\$ (616)
Motor vehicle tax	8,276	8,109	(167)
Redemptions		439	439
16/20M vehicle tax	949	1,144	195
Recreation vehicle tax	146	146	-
TOTAL CASH RECEIPTS	80,658	80,509	(149)
Expenditures:			
Contractual and other expenditures	80,738	79,053	1,685
Neighborhood revitalization rebate	2,101	2,085	16
TOTAL EXPENDITURES	82,839	81,138	1,701
RECEIPTS OVER (UNDER) EXPENDITURES	(2,181)	(629)	1,552
Beginning Unencumbered Cash Balance	2,181	863	(1,318)
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 234	\$ 234

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - SOIL CONSERVATION
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 17,886	\$ 17,770	\$ (116)
Motor vehicle tax	2,124	2,067	(57)
Redemptions		113	113
16/20M vehicle tax	244	287	43
Recreation vehicle tax	38	37	(1)
TOTAL CASH RECEIPTS	20,292	20,274	(18)
Expenditures:			
Contractual and other expenditures	21,000	20,550	450
Neighborhood revitalization rebate	527	524	3
TOTAL EXPENDITURES	21,527	21,074	453
RECEIPTS OVER (UNDER) EXPENDITURES	(1,235)	(800)	435
Beginning Unencumbered Cash Balance	1,235	1,011	(224)
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 211	\$ 211

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - AMBULANCE
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 261,211	\$ 258,884	\$ (2,327)
Delinquent tax		1	1
Motor vehicle tax	27,460	26,910	(550)
Redemptions		1,459	1,459
16/20M vehicle tax	3,149	3,806	657
Recreation vehicle tax	486	486	-
TOTAL CASH RECEIPTS	292,306	291,546	(760)
Expenditures:			
Allocations and distributions	285,832	285,832	-
Neighborhood revitalization rebate	7,698	7,639	59
TOTAL EXPENDITURES	293,530	293,471	59
RECEIPTS OVER (UNDER) EXPENDITURES	(1,224)	(1,925)	(701)
Beginning Unencumbered Cash Balance	1,224	3,463	2,239
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 1,538	\$ 1,538

See notes to financial statements.

STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - APPRAISER
SPECIAL REVENUE FUND - (STATEMENT 3)

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 141,220	\$ 140,015	\$ (1,205)
Delinquent tax		1	1
Motor vehicle tax	16,491	16,233	(258)
Redemptions		887	887
16/20M vehicle tax	1,891	2,332	441
Recreation vehicle tax	292	293	1
Reimbursements and grants		3,179	3,179
Miscellaneous		327	327
TOTAL CASH RECEIPTS	159,894	163,267	3,373
Expenditures:			
Personnel expenditures	125,900	124,123	1,777
Contractual and other expenditures	21,450	17,768	3,682
Material and supplies	6,900	4,590	2,310
Capital Outlay	12,000	4,498	7,502
Neighborhood revitalization rebate	4,162	4,131	31
Operating transfers		6,000	(6,000)
TOTAL EXPENDITURES	170,412	161,110	9,302
RECEIPTS OVER (UNDER) EXPENDITURES	(10,518)	2,157	12,675
Beginning Unencumbered Cash Balance	10,518	35,667	25,149
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 37,824	\$ 37,824

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - NOXIOUS WEED
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 69,153	\$ 68,523	\$ (630)
Motor vehicle tax	6,024	5,736	(288)
Redemptions		335	335
16/20M vehicle tax	691	730	39
Recreation vehicle tax	107	104	(3)
Reimbursements and grants		911	911
TOTAL CASH RECEIPTS	75,975	76,339	364
Expenditures:			
Personnel expenditures	28,600	25,055	3,545
Contractual and other expenditures	11,900	1,528	10,372
Material and supplies	51,950	37,240	14,710
Capital Outlay		8,761	(8,761)
Neighborhood revitalization rebate	2,038	2,022	16
TOTAL EXPENDITURES	94,488	74,606	19,882
RECEIPTS OVER (UNDER) EXPENDITURES	(18,513)	1,733	20,246
Beginning Unencumbered Cash Balance	18,513	50,600	32,087
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 52,333	\$ 52,333

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - ELECTION
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 76,677	\$ 75,978	\$ (699)
Motor vehicle tax	7,112	7,659	547
Redemptions		443	443
16/20M vehicle tax	816	1,428	612
Recreation vehicle tax	126	136	10
Reimbursements and grants		2,309	2,309
TOTAL CASH RECEIPTS	84,731	87,953	3,222
Expenditures:			
Personnel expenditures	16,000	10,009	5,991
Contractual and other expenditures	29,600	22,603	6,997
Material and supplies	37,000	37,220	(220)
Neighborhood revitalization rebate	2,260	2,242	18
TOTAL EXPENDITURES	84,860	72,074	12,786
RECEIPTS OVER (UNDER) EXPENDITURES	(129)	15,879	16,008
Beginning Unencumbered Cash Balance	129	3,915	3,786
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 19,794	\$ 19,794

See notes to financial statements.

STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - EXTENSION
SPECIAL REVENUE FUND - (STATEMENT 3)

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 123,629	\$ 122,550	\$ (1,079)
Delinquent tax		1	1
Motor vehicle tax	14,019	13,828	(191)
Redemptions		754	754
16/20M vehicle tax	1,608	2,003	395
Recreation vehicle tax	248	249	1
TOTAL CASH RECEIPTS	139,504	139,385	(119)
Expenditures:			
Contractual and other expenditures	138,550	138,549	1
Neighborhood revitalization rebate	3,644	3,616	28
TOTAL EXPENDITURES	142,194	142,165	29
RECEIPTS OVER (UNDER) EXPENDITURES	(2,690)	(2,780)	(90)
Beginning Unencumbered Cash Balance	2,690	4,528	1,838
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 1,748	\$ 1,748

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - 4-H BUILDING
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 6,351	\$ 6,332	\$ (19)
Motor vehicle tax	758	750	(8)
Redemptions		41	41
16/20M vehicle tax	87	113	26
Recreation vehicle tax	13	14	1
TOTAL CASH RECEIPTS	7,209	7,250	41
Expenditures:			
Contractual and other expenditures	7,400	7,250	150
Neighborhood revitalization rebate	187	187	-
TOTAL EXPENDITURES	7,587	7,437	150
RECEIPTS OVER (UNDER) EXPENDITURES	(378)	(187)	191
Beginning Unencumbered Cash Balance	378	272	(106)
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 85	\$ 85

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - LANDFILL (SOLID WASTE)
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 106,925	\$ 106,006	\$ (919)
Motor vehicle tax	11,833	11,129	(704)
Redemptions		566	566
16/20M vehicle tax	1,357	1,339	(18)
Recreation vehicle tax	209	203	(6)
Charges for services	200,000	291,976	91,976
TOTAL CASH RECEIPTS	320,324	411,219	90,895
Expenditures:			
Personnel expenditures	32,000	26,567	5,433
Contractual and other expenditures	33,750	8,729	25,021
Material and supplies	16,100	9,943	6,157
Capital Outlay	500	8,750	(8,250)
Allocations and distributions	283,250	223,778	59,472
Neighborhood revitalization rebate	3,152	3,128	24
TOTAL EXPENDITURES	368,752	280,895	87,857
RECEIPTS OVER (UNDER) EXPENDITURES	(48,428)	130,324	178,752
Beginning Unencumbered Cash Balance	48,428	236,442	188,014
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 366,766	\$ 366,766

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - EMPLOYEE BENEFITS
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 636,373	\$ 630,734	\$ (5,639)
Delinquent tax		4	4
Motor vehicle tax	76,492	74,372	(2,120)
Redemptions		4,067	4,067
16/20M vehicle tax	8,772	10,232	1,460
Recreation vehicle tax	1,352	1,345	(7)
Reimbursements and grants		9,841	9,841
TOTAL CASH RECEIPTS	722,989	730,595	7,606
Expenditures:			
Personnel expenditures	900,000	833,631	66,369
Neighborhood revitalization rebate	18,757	18,610	147
TOTAL EXPENDITURES	918,757	852,241	66,516
RECEIPTS OVER (UNDER) EXPENDITURES	(195,768)	(121,646)	74,122
Beginning Unencumbered Cash Balance	195,768	308,363	112,595
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 186,717	\$ 186,717

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - UNEMPLOYMENT
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 173	\$ 205	\$ 32
Motor vehicle tax	650	613	(37)
Redemptions		31	31
16/20M vehicle tax	75	76	1
Recreation vehicle tax	11	11	-
TOTAL CASH RECEIPTS	909	936	27
Expenditures:			
Contractual and other expenditures	7,000	5,377	1,623
Neighborhood revitalization rebate	5	6	(1)
TOTAL EXPENDITURES	7,005	5,383	1,622
RECEIPTS OVER (UNDER) EXPENDITURES	(6,096)	(4,447)	1,649
Beginning Unencumbered Cash Balance	6,096	10,370	4,274
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 5,923	\$ 5,923

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - KANSAS PUBLIC EMPLOYEE'S RETIREMENT
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 165,969	\$ 164,544	\$ (1,425)
Delinquent tax		1	1
Motor vehicle tax	29,192	27,301	(1,891)
Redemptions		1,355	1,355
16/20M vehicle tax	3,348	3,210	(138)
Recreation vehicle tax	516	498	(18)
Reimbursements and grants		5,215	5,215
TOTAL CASH RECEIPTS	199,025	202,124	3,099
Expenditures:			
Personnel expenditures	275,000	174,903	100,097
Neighborhood revitalization rebate	4,892	4,854	38
TOTAL EXPENDITURES	279,892	179,757	100,135
RECEIPTS OVER (UNDER) EXPENDITURES	(80,867)	22,367	103,234
Beginning Unencumbered Cash Balance	80,867	210,367	129,500
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 232,734	\$ 232,734

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - WORKMENS COMPENSATION
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 55,156	\$ 54,639	\$ (517)
Motor vehicle tax	7,412	7,172	(240)
Redemptions		378	378
16/20M vehicle tax	850	969	119
Recreation vehicle tax	131	130	(1)
TOTAL CASH RECEIPTS	63,549	63,288	(261)
Expenditures:			
Contractual and other expenditures	80,000	76,499	3,501
Neighborhood revitalization rebate	1,626	1,612	14
TOTAL EXPENDITURES	81,626	78,111	3,515
RECEIPTS OVER (UNDER) EXPENDITURES	(18,077)	(14,823)	3,254
Beginning Unencumbered Cash Balance	18,077	54,950	36,873
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 40,127	\$ 40,127

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - SOCIAL SECURITY
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 175,500	\$ 173,926	\$ (1,574)
Delinquent tax		1	1
Motor vehicle tax	23,343	22,737	(606)
Redemptions		1,198	1,198
16/20M vehicle tax	2,677	3,149	472
Recreation vehicle tax	413	411	(2)
Reimbursements and grants		235	235
TOTAL CASH RECEIPTS	201,933	201,657	(276)
Expenditures:			
Personnel expenditures	225,000	195,484	29,516
Neighborhood revitalization rebate	5,173	5,132	41
TOTAL EXPENDITURES	230,173	200,615	29,558
RECEIPTS OVER (UNDER) EXPENDITURES	(28,240)	1,042	29,282
Beginning Unencumbered Cash Balance	28,240	63,786	35,546
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 64,828	\$ 64,828

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - FAIR GROUNDS & BUILDING
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 24,069	\$ 23,897	\$ (172)
Motor vehicle tax	2,595	2,524	(71)
Redemptions		137	137
16/20M vehicle tax	298	348	50
Recreation vehicle tax	46	46	-
TOTAL CASH RECEIPTS	27,008	26,952	(56)
Expenditures:			
Contractual and other expenditures	27,500	26,999	501
Neighborhood revitalization rebate	709	705	4
TOTAL EXPENDITURES	28,209	27,704	505
RECEIPTS OVER (UNDER) EXPENDITURES	(1,201)	(752)	449
Beginning Unencumbered Cash Balance	1,201	861	(340)
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 109	\$ 109

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - TORT LIABILITY
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 42,547	\$ 42,184	\$ (363)
Motor vehicle tax	8,355	8,231	(124)
Redemptions		438	438
16/20M vehicle tax	958	1,188	230
Recreation vehicle tax	148	148	-
TOTAL CASH RECEIPTS	52,008	52,189	181
Expenditures:			
Contractual and other expenditures	80,000	59,268	20,732
Neighborhood revitalization rebate	1,254	1,245	9
TOTAL EXPENDITURES	81,254	60,513	20,741
RECEIPTS OVER (UNDER) EXPENDITURES	(29,246)	(8,324)	20,922
Beginning Unencumbered Cash Balance	29,246	56,199	26,953
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 47,875	\$ 47,875

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - HISTORICAL
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 10,947	\$ 10,825	\$ (122)
Motor vehicle tax	1,019	1,017	(2)
Redemptions		57	57
16/20M vehicle tax	117	153	36
Recreation vehicle tax	18	18	-
TOTAL CASH RECEIPTS	12,101	12,070	(31)
Expenditures:			
Contractual and other expenditures	12,000	12,002	(2)
Neighborhood revitalization rebate	323	319	4
TOTAL EXPENDITURES	12,323	12,321	2
RECEIPTS OVER (UNDER) EXPENDITURES	(222)	(251)	(29)
Beginning Unencumbered Cash Balance	222	424	202
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 173	\$ 173

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - RECYCLING/HOUSEHOLD HAZARDOUS WASTE
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 35,237	\$ 34,930	\$ (307)
Motor vehicle tax	5,586	5,172	(414)
Redemptions		262	262
16/20M vehicle tax	641	582	(59)
Recreation vehicle tax	99	95	(4)
Charges for services		8,487	8,487
Reimbursements and grants		270	270
Operating transfers	9,877		(9,877)
TOTAL CASH RECEIPTS	51,440	49,798	(1,642)
Expenditures:			
Contractual and other expenditures	64,000	36,927	27,073
Neighborhood revitalization rebate	1,039	1,031	8
TOTAL EXPENDITURES	65,039	37,958	27,081
RECEIPTS OVER (UNDER) EXPENDITURES	(13,599)	11,840	25,439
Beginning Unencumbered Cash Balance	13,599	27,371	13,772
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 39,211	\$ 39,211

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - REGISTER OF DEEDS
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Licenses, permits, and fees	\$ 10,000	\$ 10,984	\$ 984
Use of money and property		100	100
TOTAL CASH RECEIPTS	10,000	11,084	1,084
Expenditures:			
Contractual and other expenditures	12,000	8,565	3,435
RECEIPTS OVER (UNDER) EXPENDITURES	(2,000)	2,519	4,519
Beginning Unencumbered Cash Balance	7,232	11,429	4,197
ENDING UNENCUMBERED CASH BALANCE	\$ 5,232	\$ 13,948	\$ 8,716

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - SPECIAL PARKS & RECREATION
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Cash Receipts:			
Local alcohol liquor tax	\$ 2,000	\$ 2,945	\$ 945
Expenditures:			
Contractual and other expenditures	<u>3,000</u>	<u>-</u>	<u>3,000</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(1,000)	2,945	3,945
Beginning Unencumbered Cash Balance	<u>24,082</u>	<u>26,974</u>	<u>2,892</u>
ENDING UNENCUMBERED CASH BALANCE	<u>\$ 23,082</u>	<u>\$ 29,919</u>	<u>\$ 6,837</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - SPECIAL ALCOHOL
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Cash Receipts:			
Local alcohol liquor tax	<u>\$ 4,000</u>	<u>\$ 5,635</u>	<u>\$ 1,635</u>
Expenditures:			
Contractual and other expenditures	4,000	2,601	1,399
Allocations and distributions	<u>3,500</u>		<u>3,500</u>
TOTAL EXPENDITURES	<u>7,500</u>	<u>2,601</u>	<u>4,899</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(3,500)	3,034	6,534
Beginning Unencumbered Cash Balance	<u>42,390</u>	<u>47,823</u>	<u>5,433</u>
ENDING UNENCUMBERED CASH BALANCE	<u>\$ 38,890</u>	<u>\$ 50,857</u>	<u>\$ 11,967</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - MOTOR VEHICLE FUND
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Motor vehicle tax	\$	\$ 729	\$ 729
Licenses, permits, and fees		298	298
Miscellaneous	80,000	105,995	25,995
TOTAL CASH RECEIPTS	80,000	107,022	27,022
Expenditures:			
Personnel expenditures	60,000	104,530	(44,530)
Contractual and other expenditures	4,000	4,472	(472)
Material and supplies	4,500	1,680	2,820
Capital Outlay	5,000	371	4,629
Operating transfers	35,581		35,581
TOTAL EXPENDITURES	109,081	111,053	(1,972)
RECEIPTS OVER (UNDER) EXPENDITURES	(29,081)	(4,031)	25,050
Beginning Unencumbered Cash Balance	29,081	26,794	(2,287)
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 22,763	\$ 22,763

See notes to financial statements.

STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - PROSECUTING ATTORNEY TRAINING FUND
SPECIAL REVENUE FUND - (STATEMENT 3)

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Cash Receipts:			
Charges for services	\$	\$ 832	\$ 832
Reimbursements and grants		312	312
TOTAL CASH RECEIPTS	-	1,144	1,144
Expenditures:			
Contractual and other expenditures	1,000	3,124	(2,124)
RECEIPTS OVER (UNDER) EXPENDITURES	(1,000)	(1,980)	(980)
Beginning Unencumbered Cash Balance	1,746	4,169	2,423
ENDING UNENCUMBERED CASH BALANCE	\$ 746	\$ 2,189	\$ 1,443

See notes to financial statements.

STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - 911 SPECIALS
SPECIAL REVENUE FUND - (STATEMENT 3)

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Cash Receipts:			
Charges for services	\$ 48,500	\$ 42,036	\$ (6,464)
Reimbursements and grants		7,168	7,168
TOTAL CASH RECEIPTS	48,500	49,204	704
Expenditures:			
Contractual and other expenditures	75,000	50,688	24,312
RECEIPTS OVER (UNDER) EXPENDITURES	(26,500)	(1,484)	25,016
Beginning Unencumbered Cash Balance	27,617	45,998	18,381
ENDING UNENCUMBERED CASH BALANCE	\$ 1,117	\$ 44,514	\$ 43,397

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - 911 LOCAL
SPECIAL REVENUE FUND - (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Cash Receipts:			
Charges for services	\$ 16,000	\$ 18,109	\$ 2,109
Reimbursements and grants	95,000	25,432	(69,568)
TOTAL CASH RECEIPTS	111,000	43,541	(67,459)
Expenditures:			
Contractual and other expenditures	95,000	29,154	65,846
RECEIPTS OVER (UNDER) EXPENDITURES	16,000	14,387	(1,613)
Beginning Unencumbered Cash Balance	45,780	46,690	910
ENDING UNENCUMBERED CASH BALANCE	<u>\$ 61,780</u>	<u>\$ 61,077</u>	<u>\$ (703)</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
NON-BUDGETED SPECIAL REVENUE FUNDS (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Special Road & Bridge	Road & Bridge Sales Tax	Tourism, Promotion & Bed Tax	Special Law Enforcement Fund
Cash Receipts:				
Taxes and Shared Revenue	\$	\$	826	\$
Licenses, Permits, and Fees				560
Reimbursements and Grants		506		
Transfers	100,000			
	<u>100,000</u>	<u>506</u>	<u>826</u>	<u>560</u>
TOTAL CASH RECEIPTS				
	<u>100,000</u>	<u>506</u>	<u>826</u>	<u>560</u>
Expenditures:				
Contractual and other expenditures		346		
	<u>100,000</u>	<u>160</u>	<u>826</u>	<u>560</u>
RECEIPTS OVER (UNDER) EXPENDITURES				
	<u>200,000</u>		<u>229</u>	<u>527</u>
Beginning Unencumbered Cash Balance				
	<u>\$ 300,000</u>	<u>\$ 160</u>	<u>\$ 1,055</u>	<u>\$ 1,087</u>
ENDING UNENCUMBERED CASH BALANCE				
	<u>\$ 300,000</u>	<u>\$ 160</u>	<u>\$ 1,055</u>	<u>\$ 1,087</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
NON-BUDGETED SPECIAL REVENUE FUNDS (STATEMENT 3)
CAPITAL EQUIPMENT RESERVE FUNDS**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Emergency Management Capital	Buildings	Department Building Fund	Health Capital Outlay	Aging Kitchen Equipment	Community College
Cash Receipts:						
Taxes and Shared Revenue Transfers	\$ 10,000	\$	\$ 40,000	\$ 20,000	\$	\$ 10
TOTAL CASH RECEIPTS	10,000	-	40,000	20,000	-	10
Expenditures:						
Contractual and other expenditures			8,569			
Capital Outlay				1,495		
TOTAL EXPENDITURES	-	-	8,569	1,495	-	-
RECEIPTS OVER (UNDER)						
EXPENDITURES	10,000	-	31,431	18,505	-	10
Beginning Unencumbered Cash Balance		16	38,063	22,431	888	
ENDING UNENCUMBERED CASH BALANCE	\$ 10,000	\$ 16	\$ 69,494	\$ 40,936	\$ 888	\$ 10

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
NON-BUDGETED SPECIAL REVENUE FUNDS (STATEMENT 3)
CAPITAL EQUIPMENT RESERVE FUNDS**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Appraisers Capital Outlay	Election Equipment Reserve	Noxious Weed Outlay	Equipment Reserve	Machinery
Cash Receipts:					
Taxes and Shared Revenue Transfers	\$ 4,000	\$	\$	\$ 33,200	\$ 130,000
TOTAL CASH RECEIPTS	4,000	-	-	33,200	130,000
Expenditures:					
Contractual and other expenditures Capital Outlay			24,359	2,973	53,400
TOTAL EXPENDITURES	-	-	24,359	2,973	53,400
RECEIPTS OVER (UNDER) EXPENDITURES	4,000	-	(24,359)	30,227	76,600
Beginning Unencumbered Cash Balance	2,200	197,967	94,244	78,833	237,613
ENDING UNENCUMBERED CASH BALANCE	\$ 6,200	\$ 197,967	\$ 69,885	\$ 109,060	\$ 314,213

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
NON-BUDGETED SPECIAL REVENUE FUNDS (STATEMENT 3)
GRANT FUNDS**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Emergency Management Grant Fund	Bridge Grant	Medical Reserve Corp Grant	Safe Kids Grant	Child Care Licensing	KALHD Grant
Cash Receipts:						
Taxes and Shared Revenue	\$	\$	\$	\$	\$	\$
Reimbursements and Grants	45,837	44,641		128	13,692	850
Miscellaneous						
TOTAL CASH RECEIPTS	45,837	44,641	-	128	13,692	850
Expenditures:						
Personnel expenditures			1,526		11,419	
Contractual and other expenditures	31,056	4,000				1,374
Materials and supplies	8,422	40,642	831	574	2,279	
Capital Outlay	16,909					
TOTAL EXPENDITURES	56,387	44,642	2,357	574	13,698	1,374
RECEIPTS OVER (UNDER)						
EXPENDITURES	(10,550)	(1)	(2,357)	(446)	(6)	(524)
Beginning Unencumbered Cash Balance	53,423	1	8,374	2,657	94	1,000
ENDING UNENCUMBERED CASH BALANCE	\$ 42,873	\$ -	\$ 6,017	\$ 2,211	\$ 88	\$ 476

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
NON-BUDGETED SPECIAL REVENUE FUNDS (STATEMENT 3)
GRANT FUNDS**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Maternal							Title III C	
	Child Health		Immunizations	Path Grant	KDOT Grant			Nutrition	
Cash Receipts:									
Taxes and Shared Revenue	\$		\$	\$	\$		\$	\$	10
Reimbursements and Grants	12,809		2,431		124,773		215,765		
Miscellaneous					6,879				
TOTAL CASH RECEIPTS	12,809		2,431	-	131,652		215,775		
Expenditures:									
Personnel expenditures	11,957		1,522				95,775		
Contractual and other expenditures	144				114,520		63,600		
Materials and supplies	30						55,296		
Capital Outlay									
TOTAL EXPENDITURES	12,131		1,522	-	114,520		214,671		
RECEIPTS OVER (UNDER)									
EXPENDITURES	678		909	-	17,132		1,104		
Beginning Unencumbered Cash Balance				1,204	54,800		4,813		
ENDING UNENCUMBERED CASH									
BALANCE	\$ 678	\$ 909	\$ 1,204	\$ 71,932	\$ 5,917				

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
FIDUCIARY TYPE FUNDS (STATEMENT 3)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	<u>Aging - Bertha Shum (KDOT)</u>	<u>Aging - Elsie Borck Fund (KDOT)</u>
Cash Receipts:		
Miscellaneous	<u>\$ 1,649</u>	<u>\$ 556</u>
Expenditures:		
Contractual and other expenditures	<u> 1,956</u>	<u></u>
RECEIPTS OVER (UNDER) EXPENDITURES	<u> (307)</u>	<u> 556</u>
Beginning Unencumbered Cash Balance	<u> 87,163</u>	<u> 28,149</u>
ENDING UNENCUMBERED CASH BALANCE	<u><u>\$ 86,856</u></u>	<u><u>\$ 28,705</u></u>

See notes to financial statements.

**SUMMARY OF CASH RECEIPTS, CASH DISBURSEMENTS, AND UNENCUMBERED
CASH - AGENCY FUNDS (STATEMENT 4)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Distributable Funds:				
Current Ad Valorem Taxes	8,508,785	15,021,272	14,413,043	9,117,014
Vehicle Excise Tax	301	1,073	958	416
Neighborhood Revitalization		363,350	363,350	-
Motor Vehicle Tax	291,619	1,425,165	1,411,273	305,511
RV Tax	4,093	26,054	25,314	4,833
Delinquent Personal Property Tax	32	351	297	86
Total Distributable Funds	8,804,830	16,837,265	16,214,235	9,427,860
State Funds:				
State Education Building		104,215	104,215	-
State Education Vehicle		11,352	11,352	-
State Institutional Building		52,108	52,108	-
State Institutional Vehicle		5,676	5,676	-
Total State Funds	-	173,351	173,351	-
Subdivision Funds:				
Library		98,411	98,411	-
School Districts		5,228,836	5,228,836	-
Townships		1,160,378	1,160,378	-
Cities		3,024,444	3,024,444	-
Fire Districts		259,436	259,436	-
Watershed Districts	27	123,413	123,401	39
Cemeteries	69	62,059	62,054	74
Total Subdivision Funds	96	9,956,977	9,956,960	113
Other Agency Funds:				
Heritage Trust Fund	2,356	2,777	4,504	629
Joint Mortgage Registration Fund	17	75		92
Returned Items	(299)	2,298	2,023	(24)
Strategic Planning	2,084			2,084
Payroll Clearing		465,098	504,010	(38,912)
Survey Funds		5,725		5,725
Agency on Aging Special Fund	38,724	433		39,157

See notes to financial statements.

**SUMMARY OF CASH RECEIPTS, CASH DISBURSEMENTS, AND UNENCUMBERED
CASH - AGENCY FUNDS (STATEMENT 4)**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
<i>Other Agency Funds (continued)</i>				
Blue Cross Blue Shield	5,329			5,329
Drivers License	291	38,017	37,668	640
Vehicle	(553)	802,411	801,858	-
Motor Carrier IRP Account		3,852	3,852	-
Vehicle Sales Tax		549,363	549,363	-
Antique Tag Fee	3,950	4,390	3,950	4,390
Game License		6,976	6,976	-
State Filing Fund		105	105	-
Cereal Malt Beverage Stamp	175	200	200	175
Stray Animal Fund	1,521			1,521
Special County Attorney Fund	17,593	22,308	18,901	21,000
Overpayment	(4)	6,423	6,423	(4)
Tax In Advance		2,279	2,279	-
Bankruptcy Tax Account	1,637	189	1	1,825
Redemption	38,867	91,774	89,985	40,656
Partial Pay	33			33
Tax Foreclosure	28,606		16	28,590
Escrow Taxes	18,826	(248)	211	18,367
Delinquent Personal Property Other		76	76	-
Home City Sewer	141,203	32,193	27,619	145,777
Total Other Agency Funds	300,356	2,036,714	2,060,020	277,050
Outside Accounts Considered to be Agency Funds				
District Court	25,020	364,888	355,409	34,499
Sheriff's VIN Account	491	21,138	20,872	757
Law Library	15,217	8,156	4,472	18,901
Attorney	5,912	11,843	13,009	4,746
	46,640	406,025	393,762	58,903
TOTAL AGENCY FUNDS	\$ 9,151,922	\$ 29,410,332	\$ 28,798,328	\$ 9,763,926
		Add: Encumbrances/Accounts Payable		39,544
TOTAL AGENCY FUND CASH (UNENCUMBERED)				\$ 9,803,470

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

MARSHALL COUNTY, KANSAS

December 31, 2010

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Marshall County, Kansas (County) is a municipal corporation governed by an elected three-member commission. These financial statements present only the County (the primary government) and do not include the financial data of any component units. The accounting policies of the County conform to the cash-basis and budget laws of Kansas. The following is a summary of the more significant policies:

1. The Financial Reporting Entity: The financial reporting entity of the County is comprised of only the primary government (the County) and not its component units.

The basic criterion for including a separate governmental entity in the County's financial reporting entity is the financial accountability of the County for the separate entity. The County is financially accountable if it appoints a voting majority of a component unit's governing body and if it either has the ability to impose its will on the component unit or there is a potential for the component unit to provide certain financial benefits to, or impose certain financial burdens on, the primary government.

2. Fund Accounting: The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

Governmental Funds

The General Fund is the general operating fund of the County. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds are used to account for the accumulation of financial resources for, and the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

NOTES TO FINANCIAL STATEMENTS

MARSHALL COUNTY, KANSAS

December 31, 2010

Proprietary Funds

Enterprise Funds are used to account for operations that provide goods or services to the general public on a continuing basis. Such operations are financed and operated in a manner similar to private business enterprises and (a) are intended to be self supporting through charges to users or (b) the governing body has deemed it appropriate to account for them as enterprise funds for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds

Trust and Agency Funds are used to account for assets held by the County in a trust capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Included in this classification are distributable funds, which are used to account for tax receipts which are to be distributed to the other funds of the County and to the other political subdivisions within the County for whom the County acts as an agent.

3. Basis of Presentation: The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and the expenditure would be charged in the fund from which the transfer is made.

The County has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

Departure from Generally Accepted Accounting Principles: The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash assets such as receivables, inventories and prepaid expense; liabilities such as deferred revenue and matured principal and interest payable; and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the County are not presented in the financial statements.

NOTES TO FINANCIAL STATEMENTS

MARSHALL COUNTY, KANSAS

December 31, 2010

Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

4. Budgetary Information: Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:
 - a. Preparation of the budget for the succeeding calendar year on or before August 1st. At the County, this process begins in May when budget worksheets are mailed to each department. These budget worksheets are returned to the County Administrator's Office for compilation and verification in June. The County Commissioners review budgets by each department in June and July.
 - b. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
 - c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
 - d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of a public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

The statutes permit transferring budgeted amounts between line items within an individual fund; County policy requires such transfers to be approved by the County Commissioners. However, statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

NOTES TO FINANCIAL STATEMENTS

MARSHALL COUNTY, KANSAS

December 31, 2010

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds, and the following special revenue funds:

- Special Road and Bridge
- Road and Bridge Sales Tax
- Tourism, Promotion, and Bed Tax
- Special Law Enforcement
- Emergency Management Capital Outlay
- Buildings
- Health Department Building Fund
- Health Capital Outlay
- Community College
- Appraiser Capital Outlay
- Election Equipment Reserve
- Noxious Weed Capital Outlay
- County Equipment Reserve
- Special Machinery
- Emergency Management Grant Fund
- Bridge Grant
- Aging - Kitchen Equipment Fund, KDOT Fund, Title III-C Fund, Bertha Shum
KDOT Fund, Elsie Borck KDOT Fund
- Health Nurse - Medical Reserve Corp Grant, Safe Kids Grant, Child Care Licensing,
KALDH Grant, Maternal Child Health, Immunizations, Path Grant

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

5. Special Assessments: Projects financed in part by special assessments are financed through general obligation bonds of the County and/or revolving loans issued by the Kansas Department of Transportation. Both of which are either retired from the General Fund or the Bond and Interest Debt Service Fund as appropriate. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the General Fund or the Bond and Interest Debt Service Fund as appropriate.
6. Investments: Investments are stated at cost, which approximates market.

NOTES TO FINANCIAL STATEMENTS

MARSHALL COUNTY, KANSAS

December 31, 2010

7. Compensated Absences: The County provides certain vacation time benefits, i.e., paid time off, to full-time employees based upon length of service with the County. Unused vacation time up to a maximum of 288 hours (varies based upon length of service) is paid to the employee or legal representative of the employee upon termination of employment, retirement or death. Payment of unused vacation time is based upon the employee's rate of pay at the time of termination, retirement or death. At December 31, 2010, the County's liability for unused vacation time is approximately \$169,142 attributable entirely to governmental funds.
8. Property Taxes: In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year.

NOTE B—DEPOSITS AND INVESTMENTS

As of December 31, 2010, the County did not have any investments other than certificates of deposit.

K.S.A. 9-1401 establishes the depositories which may be used by the County. The statute requires banks eligible to hold the County's funds have a main or branch bank in the county in which the Government is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The County has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the County's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The County has no investment policy that would further limit its investment choices. The rating of the County's investments is noted above.

Concentration of credit risk: State statutes place no limit on the amount the County may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The County had no investments other than certificates of deposit (which are secured through FDIC coverage and pledged securities) at December 31, 2010.

NOTES TO FINANCIAL STATEMENTS

MARSHALL COUNTY, KANSAS

December 31, 2010

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2010.

At December 31, 2010, the carrying amount of the County's deposits, including certificates of deposit, was \$14,947,132 and the bank balance was \$15,076,546. The bank balance was held by ten banks which does not result in a concentration of credit risk. Of the bank balance, \$2,669,370 was covered by federal depository insurance, and the remaining \$12,407,176 was collateralized with securities held by the pledging financial institutions' agents in the County's name.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE C—GENERAL LONG-TERM DEBT

The following is a summary of debt transactions of the County for the year ended December 31, 2010: (See Notes J and K for the schedules of long-term liabilities and current maturities of long-term debt)

	Beginning of Year	Issued	Retired	End of Year
General Obligation Bonds	\$ 424,000		\$ 68,000	\$ 356,000
Capital Leases	31,418	52,880	36,808	47,490
TOTAL LONG-TERM DEBT	\$ 455,418	\$ 52,880	\$ 104,808	\$ 403,490

Total interest expense for the year was \$20,756.

NOTES TO FINANCIAL STATEMENTS

MARSHALL COUNTY, KANSAS

December 31, 2010

Bonded Indebtedness Limitation

Kansas statutes restrict the level of the authorized and outstanding bonded indebtedness of the County to not more than three percent of the assessed value of all tangible property within such county, as certified to the County Clerk on the preceding August 25.

Total assessed valuation as of October 29, 2009	\$ 103,032,277
3% Debt Limit	3,090,968
Less: Total Outstanding General Obligation Debt	<u>356,000</u>
General Obligation Debt Margin	<u>\$ 2,734,968</u>

NOTE D—DEFINED BENEFIT PENSION PLAN

Plan Description: The County participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy: K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4 percent of covered salary for employees hired before July 1, 2009 and 6 percent of covered salary for employees hired on or after July 1, 2009. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates.

The KPERS employer rate established by statute for January 1, 2010 thru March 31, 2010 and July 1, 2010 thru December 31, 2010 was 7.14 percent. For the period of April 1, 2010 thru June 30, 2010 the state issued a moratorium on the employer's insurance contributions of 1 percent, setting the employer's rate to 6.14 percent. The County employer contributions to KPERS for the years ending December 31, 2010, 2009, and 2008 were \$174,903, \$137,210, and \$121,971, respectively, equal to the statutory required contributions for each year.

NOTES TO FINANCIAL STATEMENTS

MARSHALL COUNTY, KANSAS

December 31, 2010

NOTE E—OTHER POST EMPLOYMENT BENEFIT

As provided by K.S.A. 12-5040, the County allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the County under this program.

NOTE F—COMMITMENTS AND CONTINGENCIES

Litigation—There are a number of claims and/or lawsuits to which the County is a party as a result of matters and complaints arising in the ordinary course of County activities. The County management and legal counsel anticipate that the potential claims against the County not covered by insurance, if any, resulting from such matters would not materially affect the financial position of the County.

Solid Waste Landfill Post-closure Care Costs—The County closed its solid waste facility and received approval. Any liability for post-closure care costs associated with the landfill has not been determined. The County incurs costs annually to monitor the closed facility.

Risk Management—The County is exposed to various risks of loss related to theft of, damage to, or destruction of assets; errors and omissions; injuries to employees and natural disasters. The County manages these various risks of loss through commercial insurance with varying deductibles. All deductibles are under \$5,000. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE G—BUDGETED FUNDS

There were no budget amendments during 2010.

NOTES TO FINANCIAL STATEMENTS

MARSHALL COUNTY, KANSAS

December 31, 2010

NOTE H- TRANSFERS

Operating transfers were as follows:

FROM	TO	Statutory Authority	Amount
General Fund	Equipment Reserve Fund	K.S.A. 19-119	\$ 6,200
General Fund	General Capital Outlay	K.S.A. 19-120	25,000
General Fund	Emergency Mangmt Capital Outlay	K.S.A. 19-120	10,000
Road and Bridge	Special Road and Bridge	K.S.A. 68-141g	100,000
Road and Bridge	Machinery Fund	K.S.A. 68-141g	130,000
Health Nurse	Health Dept Building Fund	K.S.A. 19-120	40,000
Health Nurse	Health Dept Capital Outlay	K.S.A. 19-120	20,000
Appraiser	Appraiser Capital Outlay	K.S.A. 19-120	6,000
			<u>\$ 337,200</u>

NOTE I – MANAGEMENT’S REVIEW OF SUBSEQUENT EVENTS

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through October 7, 2011, the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS

MARSHALL COUNTY, KANSAS

December 31, 2010

NOTE J - SCHEDULE OF LONG-TERM DEBT

The following is a schedule of changes in long-term debt for the County for the year ended December 31, 2010:

	Interest Rate	Date Issued	Original Amount	Date of Final Maturity
GENERAL OBLIGATION BONDS				
2001A Courthouse	3.10-3.875%	11/1/2001	\$ 300,000	11/1/2011
2002A Courthouse	3.25-4.50%	2/1/2002	300,000	11/1/2012
2002B Sewer Project	4.75%	3/4/2002	322,300	3/4/2041
TOTAL GENERAL OBLIGATION BONDS			<u>922,300</u>	
CAPITAL LEASE AGREEMENTS				
2006 Crown Victoria	4.90%	2/16/2006	23,973	02/16/10
2007 Ford Pickup	3.90%	3/28/2007	12,603	3/28/2011
2008 Crown Victoria	3.99%	3/3/2008	25,028	3/3/2012
2008 Chevy	9.75%	3/24/2008	19,185	3/24/2012
2007 Crown Victoria	3.00%	2/11/2010	14,450	02/10/13
2008 Dodge Charger	3.75%	7/15/2010	14,950	07/15/13
2010 Jeep Grand Cherokee	3.75%	4/20/2010	23,480	05/20/15
TOTAL CAPITAL LEASES			<u>133,669</u>	
Compensated absences (net change)			<u></u>	
TOTAL INDEBTEDNESS			<u>\$ 1,055,969</u>	

Outstanding January 1, 2010	Issued	Retired	Net Change	Outstanding December 31, 2010	Interest Paid
\$ 60,000		\$ 30,000	\$ (30,000)	\$ 30,000	\$ 2,303
90,000		30,000	(30,000)	60,000	3,817
274,000		8,000	(8,000)	266,000	13,015
<u>424,000</u>	<u>-</u>	<u>68,000</u>	<u>(68,000)</u>	<u>356,000</u>	<u>19,135</u>
1,095		1,095	(1,095)		7
4,151		3,305	(3,305)	846	103
14,567		11,907	(11,907)	2,660	383
11,605		11,605	(11,605)		185
	14,450	3,926	10,524	10,524	276
	14,950	1,981	12,969	12,969	218
	23,480	2,989	20,491	20,491	449
<u>31,418</u>	<u>52,880</u>	<u>36,808</u>	<u>16,072</u>	<u>47,490</u>	<u>1,621</u>
	<u>169,142</u>		<u>169,142</u>	<u>169,142</u>	
<u>\$ 455,418</u>	<u>\$ 222,022</u>	<u>\$ 104,808</u>	<u>\$ 117,214</u>	<u>\$ 572,632</u>	<u>\$ 20,756</u>

NOTES TO FINANCIAL STATEMENTS

MARSHALL COUNTY, KANSAS

December 31, 2010

NOTE K: SCHEDULE OF MATURITY OF LONG TERM DEBT

The current maturities of long term debt and interest for the next five years and in five year increments through maturity as follows:

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
PRINCIPAL					
General obligation bonds	68,000	38,000	8,000	8,000	8,000
Capital leases payable	<u>17,539</u>	<u>14,629</u>	<u>8,666</u>	<u>4,993</u>	<u>1,663</u>
TOTAL PRINCIPAL	<u>85,539</u>	<u>52,629</u>	<u>16,666</u>	<u>12,993</u>	<u>9,663</u>
INTEREST					
General obligation bonds	16,378	13,560	11,875	11,495	11,115
Capital leases payable	<u>1,473</u>	<u>847</u>	<u>390</u>	<u>164</u>	<u>13</u>
TOTAL INTEREST	<u>17,851</u>	<u>14,407</u>	<u>12,265</u>	<u>11,659</u>	<u>11,128</u>
TOTAL PRINCIPAL AND INTEREST	<u>\$ 103,390</u>	<u>\$ 67,036</u>	<u>\$ 28,931</u>	<u>\$ 24,652</u>	<u>\$ 20,791</u>

<u>2016-2020</u>	<u>2021-2025</u>	<u>2026-2030</u>	<u>2031-2035</u>	<u>2036-2040</u>	<u>2041-2045</u>	<u>Total</u>
40,000	42,000	45,000	45,000	45,000	9,000	356,000
						47,490
<u>40,000</u>	<u>42,000</u>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>9,000</u>	<u>403,490</u>
49,875	39,328	29,925	19,237	8,550	428	211,766
						2,887
<u>49,875</u>	<u>39,328</u>	<u>29,925</u>	<u>19,237</u>	<u>8,550</u>	<u>428</u>	<u>214,653</u>
<u>\$ 89,875</u>	<u>\$ 81,328</u>	<u>\$ 74,925</u>	<u>\$ 64,237</u>	<u>\$ 53,550</u>	<u>\$ 9,428</u>	<u>\$ 618,143</u>

OTHER FINANCIAL INFORMATION

**SCHEDULE A - CASH RECEIPTS AND EXPENDITURES
CLERK OF THE DISTRICT COURT**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

Balance, Beginning of Year	\$ 25,020
Receipts:	
Clerk fees - State	74,532
Law enforcement training center	8,576
Interest	755
Fines	64,071
Marriage license fees	3,717
Clerk fees - County	5,417
Prosecuting attorney training center	1,148
County attorney fee	10,737
Law library	7,729
State attorney fee	5,652
Refund	101
Judicial branch surcharge	21,710
Indigent defense fees	2,422
Judgements, restitutions, etc.	115,817
Other	42,504
TOTAL RECEIPTS	364,888
Expenditures:	
To State Treasurer:	
Clerk fees	74,532
Law enforcement training center	8,576
Reinstatement fees	351
Interest	766
Fines	64,071
Marriage license fees	3,717
State attorney fee	5,652
Indigent defense fees	2,422
TOTAL EXPENDITURES TO STATE TREASURER	160,087

See independent auditors' report.

**SCHEDULE A - CASH RECEIPTS AND EXPENDITURES
CLERK OF THE DISTRICT COURT**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

Expenditures:

To County Treasurer:

Clerk fees	\$ 5,417
Prosecuting attorney training	1,148
County attorney fees	10,737
Law library	7,729
Refund	101
Other	31,886

TOTAL EXPENDITURES TO COUNTY TREASURER 57,018

Judgement, restitutions, and other	116,594
Judicial branch surcharge	21,710

138,304

TOTAL EXPENDITURES 355,409

Balance, End of Year \$ 34,499

Composition of ending balance:

Cash in First Commerce Bank, Marysville, Kansas \$ 34,499

See independent auditors' report.

**SCHEDULE A - CASH RECEIPTS AND EXPENDITURES
SHERIFF VIN ACCOUNT**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

Balance, Beginning of Year	<u>\$ 491</u>
Receipts:	
VINs	8,860
Bonds	8,849
Civil process & reports	3,329
Miscellaneous	<u>100</u>
TOTAL RECEIPTS	<u>21,138</u>
Expenditures:	
Kansas Highway Patrol - VINs	957
Marshal County Treasurer	
VINs	7,692
Civil Process & reports	2,984
Bonds	8,849
Miscellaneous	<u>390</u>
TOTAL EXPENDITURES	<u>20,872</u>
Balance, End of Year	<u><u>\$ 757</u></u>
Composition of ending balance:	
Cash in United Bank & Trust, Marysville, Kansas	<u><u>\$ 757</u></u>

See independent auditors' report.

**SCHEDULE A - CASH RECEIPTS AND EXPENDITURES
LAW LIBRARY**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

Balance, Beginning of Year	<u>\$ 15,217</u>
Receipts:	
Deposits of CDC	7,888
Dues	110
Interest income	<u>159</u>
TOTAL RECEIPTS	<u>8,157</u>
Expenditures:	
Maintenance	300
Thomas West	2,161
KS Supreme Court	260
KS Secretary of State	42
KBA dues	105
Miscellaneous	<u>1,605</u>
TOTAL EXPENDITURES	<u>4,473</u>
Balance, End of Year	<u><u>\$ 18,901</u></u>
Composition of ending balance:	
Cash in Citizens State Bank, Marysville, Kansas	<u><u>\$ 18,901</u></u>

See independent auditors' report.

**SCHEDULE A - CASH RECEIPTS AND EXPENDITURES
COUNTY ATTORNEY**

MARSHALL COUNTY, KANSAS

Year Ended December 31, 2010

Balance, Beginning of Year	<u>\$ 5,912</u>
Receipts:	<u>11,844</u>
Expenditures:	
Criminal	4,983
Fish and game	386
Juvenile	152
Traffic	5,666
Worthless checks	1,131
Office expenses	215
Miscellaneous	<u>477</u>
TOTAL EXPENDITURES	<u>13,010</u>
Balance, End of Year	<u><u>\$ 4,746</u></u>
Composition of ending balance:	
Cash in Citizens State Bank, Marysville, Kansas	<u><u>\$ 4,746</u></u>

See independent auditors' report.